30 June 1959

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CENTRAL

INTELLIGENCE

BULLETIN



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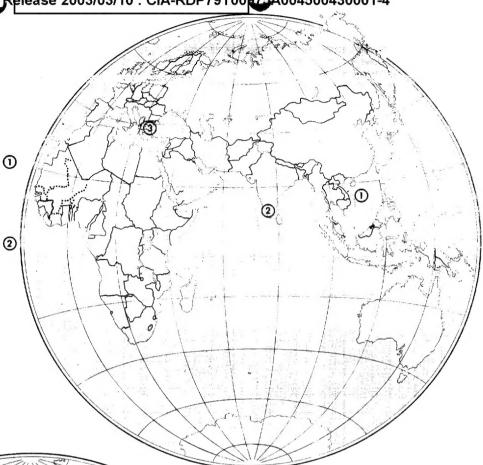
30 JUNE 1959

I. THE COMMUNIST BLOC

Peiping charges US air intrusions over Paracel Islands; announces new "serious warnings."

II. ASIA-AFRICA

India--Communist administration in Kerala refusing to resign and submit to new elections.



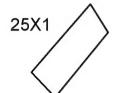
III. THE WEST

- 3 Extreme rightist Grivas, former Cypriot EOKA leader, reported planning bid for political power in Greece.
- 4 Iceland--Communists suffer reverses; Conservative elements gain strength in 28 June elections.
- 3 Dominican Republic--Trujillo tells US ambassador he will not permit Dominican forces to attack Cuba.

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30 June 1959



DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China - Paracel Islands: Peiping's recent "serious warnings"--numbers 50, 51, and 52--protesting "intrusions" of US naval aircraft over the Paracel Islands are the first regarding the South China Sea archipelago. which the Communists assert is part of Kwangtung Province. The Chinese Communists apparently intend the warnings to add weight to their claim to the islands--also claimed by Saigon and Taipei--and probably calculate that if the US should suspend its flights, this would imply a degree of recognition of Peiping's claim. The warnings contain no threat that the Communists intend to take military action against US flights in the area.

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II. ASIA-AFRICA

India: The national leaders of the Indian Communist party maintain that the Communist-dominated government of Kerala will not resign under opposition pressure and that there is no need for new elections. The high command of Nehru's Congress party is still undecided on what course of action its state organization should adopt. Kerala State Congress leaders are determined to carry on their agitation in an effort to bring about the fall of the Communist government-apparently even to the point of disregarding the advice of the national leadership--and are continuing their opposition activities.

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III. THE WEST

25X1 Greece: Former Cypriot terrorist leader General George Grivas is reported to be planning to enter Greek politics with the hope of becoming premier. The 60-year-old Grivas is anti-Communist and has long been popular in Greece. He would probably draw considerable support from both center and rightist Greek politicians seeking a rallying point against Prime Minister Karamanlis. 25X1 Iceland: The position of pro-NATO elements in Iceland has improved as the result of the 28 June general elections. The Communist-dominated Labor Alliance, which campaigned against the presence of US forces in Iceland, lost some 25 percent of its popular support. The Conservative gains assure passage of the electoral reform bill by the new parliament and suggest Conservative forces will be further strengthened for the elections to be held this fall. 25X1 Dominican Republic: The new publicity being given a sixmonth-old congressional authorization for the executive to declare war against any country harboring or aiding military forces training to invade the Dominican Republic was seen by Ambassador Farland on 26 June as a public warning to Cuba and possibly Venezuela to prevent further invasion attempts. Generalissimo Trujillo told Farland on 27 June, however, that he will not permit or sanction his forces to attack Cuba despite 25X a great deal of sentiment in the Dominican armed forces to launch an attack. Trujillo said that if Haiti is attacked, he will, if requested, provide military assistance.

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DAILY BRIEF

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25X1		I. THE COMMUNIST BLOC No Back-up Material II. ASIA-AFRICA No Back-up Material	
		III. THE WEST	
1		Former Cypriot Terrorist Leader May Challenge Greek Premier	
OF PART OF COMMISSION PART OF THE PART OF	25X1	Lieutenant General George Grivas, the only political personality in Greece with sufficient prestige to rival Premier Konstantin Karamanlis, may enter Greek politics this fall,	25X1
	ı	In March, when he returned to Athens after successfully leading the Cypriot terrorist organization, Grivas disclaimed any intention of playing a political role either in Greece or Cyprus. Now, however, by his sharp public criticism of the moderate Cyprus policies being followed by Athens, Grivas has come into direct op-	
		position to the Karamanlis government. Since he is an austere, patriotic individual who holds a very great appeal for Greek voters, many rightist and center Greek politicians would like to use him as a rallying point for a new political movement to fill the gap left by the decline of the non-Communist opposition to Karamanlis. Another military figure, General Alexandros Papagos, brought an era of stability to Greek politics from 1951 to 1955.	
25X1		Grivas may be deterred from assuming a strenuous political role by poor health. Four years of underground existence on Cyprus left him in visibly poor physical condition, He may be deterred from seeking a political role by experience in the 1946 and 1950 elections, when he failed to win any electoral success for his "X" organization, which earlier had been active in Greece as an anti-	25X1
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Communist guerrilla organization. His position is much stronger now, however, because of his record on Cyprus.
Should Grivas come to power he would intensify government repressive measures against the Communists. Despite his strongly anti-Soviet orientation as a supernationalist, he might drive a hard bargain with the United States on questions pertaining to military cooperation. Because of his dissatisfaction with developments on Cyprus, he probably would end the Greek Government's policy of putting pressure on the Greek Cypriots to cooperate in the interest of a new independent Cyprus, thus reducing the chances for a successful settlement next spring.

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Conservatives Gain in Iceland General Elections

The pro-NATO Conservatives and the rural Progressive Party emerged as victors in Iceland's 28 June general elections. According to fairly complete returns, the Conservatives gained one seat, and their Social Democratic partners lost two in the 52-seat parliament. The Social Democratic seats lost reportedly include that of Prime Minister Jonsson, but he is expected to remain in parliament in one of the supplementary seats awarded to his party.

The Communists, who pushed hard on the popular issue of the fishing limits dispute with Britain and the dormant issue of US forces in Iceland, suffered a sharp setback, losing some 25 percent of their popular support and one parliamentary seat.

The Conservatives and the Social Democrats probably will attempt to form a temporary government for the purpose of obtaining the necessary second passage of the electoral reform bill which provides for redetermining the constituencies. They must rely on Communist parliamentary support, however, to assure its final passage. Under the existing law rural interests are heavily overrepresented and all parties, except the Progressives, support the proposed revision which must be passed by two succeeding parliaments. Elections based on the new system probably will then be held in September or October.

The Conservatives are certain to gain further parliamentary strength in these elections and with the support of the Social Democrats, who are also likely to benefit, the two parties will be in a position to form a viable coalition government. Barring serious incidents with Britain in the fishing dispute, this government would work to strengthen Iceland's ties with NATO and
introduce a long-range economic stabilization program.

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